

Artists' resale royalty scheme: information for Indigenous art centres

14 December 2011

This information sheet is for guidance only. It is not legal advice.

About the resale royalty scheme

- the scheme started on 9 June 2010
- a 5% royalty is payable on certain resales of artworks for \$1,000 or more (including GST)
- the Australian government has appointed Copyright Agency to manage the scheme

Role of Indigenous art centres

There are different implications for art centres that buy and resell artworks than for those that operate as agent for their artists.

If you buy and resell artworks, you need to:

- report all resales over \$1,000 to us; and
- pay a 5% royalty if you bought a work after 8 June 2010, and you resell it for \$1,000 or more.

Art centres that are selling artworks as agents for their artists do not have to report the sales to us, but we are happy to receive the information if they want to. The information can help us to work out whether a later sale of a work is eligible for a royalty. When reporting, select primary sale from the drop down list under the acquisition question.

Art centres also give us invaluable help in getting payments to artists. We are grateful for this help and we are looking for ways in which we can help art centres with the administration of the scheme.

Scheme applies to existing works

The obligations to provide information and pay royalties apply to resales, from 9 June 2010, of existing as well as new works.

No royalty on first sale

The first sale of a work, by the artist, does not need to be reported, and there is no royalty payable.

Reporting resales

You can report resales online at www.resaleroyalty.org.au.

1. Go to www.resaleroyalty.org.au;
2. Click the "Register" button, complete the online form with your contact details and register to set up a secure login;
3. Provide information about commercial resales by:
 - completing the online form; or
 - uploading a document, such as an Excel spreadsheet, with information about multiple sales.

Advance against future sale

If an art centre pays an artist an advance against a future sale, the art centre does not have to report the subsequent sale of the work, provided the artist was still the owner of the work when the art centre sold it. This should be reflected in your documentation for the transaction with the artist, and in the documentation for the sale of the work to the purchaser.

Who has to pay a royalty?

The art centre and the buyer are jointly liable to pay the royalty. This means that Copyright Agency can recover the royalty from one or both of them.

Copyright Agency's fee

By arrangement with the government, our administrative fee is up to 10% of the royalty collected. We are required to pay GST on our administrative fee, which we deduct from the royalty. An artist who is registered for GST can claim that GST on their tax return.

Use of this information sheet

Check www.resaleroyalty.org.au for the terms of use for this information sheet, and to make sure that this is the most recent version.